

A G E N D A

UTAH BOARD OF WATER RESOURCES

Department of Agriculture
350 North Redwood Road
Salt Lake City, Utah

February 12, 2009

1:30 p.m.

I. CALL TO ORDER

II. APPROVAL OF MINUTES - December 4, 2008

III. CHAIR'S REPORT

IV. COMMITTEE OF FUNDS

County

E029 Weber Basin WCD
L562 Honeyville City

Weber
Box Elder

V. SPECIAL ITEMS

E087 Richland Nonprofit Water Co. (Withdrawal)	Rich
E197 Sevier Valley Canal Co. (Withdrawal)	Sevier
E217 West Field Irr. Co. (Withdrawal)	Utah
E249 West Corinne Water Co. (Withdrawal)	Box Elder
L556 Midvale City (Withdrawal)	Salt Lake

VI. LAKE POWELL PIPELINE UPDATE AND ACTION

VII. BEAR RIVER DEVELOPMENT UPDATE

VIII. DIRECTOR'S REPORT

IX. ADJOURNMENT

BRIEFING MEETING AGENDA

UTAH BOARD OF WATER RESOURCES

Department of Natural Resources
Room 314
1594 W. North Temple
Salt Lake City, Utah

February 12, 2009

10:00 a.m.

- | | | |
|------|------------------------|------------------|
| I. | WELCOME/CHAIR'S REPORT | Chairman Francis |
| II. | DISCUSSION OF PROJECTS | Board/Staff |
| III. | PLANNING REPORT | |
| IV. | OTHER ITEMS | |

BOARD OF WATER RESOURCES

Revolving Construction Fund

Funding Status February 12, 2009

Funds Available for Projects This FY	\$ 1,568,000
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Projects Contracted This FY

Glenwood Irr Co	E221		\$ 128,000
Kaysville Irr Co	C037	** Loan	738,000
Rocky Ford Irr Co (Amend)	E213		57,900
Whispering Pines Water Co	E237		153,000
Enterprise Res & Canal Co(Upper Enterprise)	C036	** Grant	855,000
Enterprise Res & Canal Co(Upper Enterprise)	C036	** Loan	45,000
Kays Creek Irr Co	E235		192,000
Rocky Ford Irr Co (Rocky Ford Dam-Amend)	C010	** Grant	43,700
Weber Basin WCD (Smith & Morehouse)	C038	** Grant	304,000
North Union Irr Co	E251		204,000
Gunnison Fayette Canal Co	E242		130,000
Total Funds Contracted			\$ 2,851,000
Funds Balance			\$ (1,283,000)

Projects with Funds Committed

South Cove Culinary Water Co	E222	\$ 66,000
Total Funds Committed		\$ 66,000
Funds Balance		\$ (1,349,000)

Projects Authorized

Old Meadow Ranchos C&W Co	E210	\$ 68,000
Grave Yard Irr Co	E204	19,500
New Escalante Irr Co	E077	300,000
Horseshoe Irr Co	E243	340,850
Total Funds Authorized		\$ 728,000
Remaining Funds Available		# \$ (2,077,000)

* To be presented at Board Meeting
 ** Dam Safety Projects

End of year balance if all listed projects were fully paid

BOARD OF WATER RESOURCES

Cities Water Loan Fund

Funding Status February 12, 2009

Funds Available for Projects This FY	\$	6,215,000
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Bonds Closed This FY

Deweyville, Town of	L557	\$	520,000
Total Bonds Closed		\$	520,000
Funds Balance		\$	5,695,000

Projects with Funds Committed

* Honeyville City	L562	\$	320,000
* Weber Basin WCD	E029R2		1,250,000
Total Funds Committed		\$	1,570,000
Funds Balance		\$	4,125,000

Projects Authorized

Garland City	L563	\$	850,000
Total Funds Authorized		\$	850,000
Remaining Funds Available		#	\$ 3,275,000

* To be presented at Board Meeting

End of year balance if all listed projects were fully paid

BOARD OF WATER RESOURCES

Conservation & Development Fund

Funding Status February 12, 2009

Funds Available for Projects This FY	\$ 35,955,000
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Projects Contracted/Bonds Closed This FY

Wayne County (Re-committal)	E219	\$ 1,346,000
South Weber Irr Co (Amend)	E208	71,000
Garfield County School Dist	E220	459,000
Davis & Weber Counties Cnl Co(Cnl Rehab)	E123R6	3,200,000
Davis & Weber Counties Cnl Co(Amend)	E215R5	850,000
Brigham City	L560	6,000,000
Brigham City (Funds from Legislature)	L560	7,900,000
Cub River Irr Co	E233	1,600,000
Hooper Irr Co	E238	4,770,000
Lake Powell & Bear River (Amends)		<u>11,603,700</u>
Total Funds Contracted/Closed		\$ 37,800,000
Funds Balance		\$ (1,845,000)

Projects with Funds Committed

Lake Creek Irr Co (Ph 1)	E102	\$ 22,500
Saratoga Springs City (Bond Ins Grant)	E218	117,000
West Bountiful City (Bond Ins Grant)	L561	92,000
Bell Canyon Irr Co	E245	<u>540,000</u>
Total Funds Committed		\$ 772,000
Funds Balance		\$ (2,617,000)

Projects Authorized

Strawberry High Line Canal Co	D976	\$ 3,187,000
Lake Creek Irr Co (Ph 2)	E102	300,000
Provo River Water Users Association	E177	60,000,000
Whiterocks Irr Co	E084	4,955,000
Central Utah W C D	E205	60,000,000
Weber Basin WCD (Ph3+)	E225	56,035,000
Brooklyn Canal Co	E223	1,000,000
St George & Washington Canal Co	E129	2,450,000
Mapleton City	E232	1,900,000
Uintah Water Conservancy Dist	E212	4,370,000
Davis & Weber Counties Cnl Co(Cnl Rehab)	E123	14,648,000
Settlement Canyon Irr Co (Phase 1)	E240	891,400
Settlement Canyon Irr Co (Phase 2)	E240	552,500
Muddy Creek Irr Co	E248	625,000
Park City Municipal Corp	L564	<u>28,200,000</u>
Total Funds Authorized		\$ 239,114,000
Remaining Funds Available		# \$ (241,731,000)

* To be presented at Board Meeting

End of year balance if all listed projects were fully paid

BOARD OF WATER RESOURCES

February 12, 2009

ADDITIONAL ACTIVE PROJECTS		Fund	Est. Board Cost	Total Cost
Projects Under Investigation				
Woodruff Irrigating Co	D680	C&D	\$ 600,000	\$ 800,000
Kane County WCD	D828	C&D	1,500,000	2,000,000
Keith Johnson	D996	RCF	37,500	50,000
Hyrum Blacksmith Fork Irr Co	E047	C&D	1,230,000	1,640,000
Mayfield Irr Co	E067	RCF	187,500	250,000
East Juab County WCD	E071	C&D	375,000	500,000
Ferron Canal & Res Co	E082	C&D	2,625,000	3,500,000
Weber-Box Elder Conservation Dist	E113	C&D	9,750,000	13,000,000
Parowan City (Bond Ins Grant)	E121	C&D	34,000	2,034,000
Cottonwood Creek Consolidated Irr Co	E125	C&D	3,750,000	5,000,000
Fremont Irr Co	E131	C&D	1,500,000	2,000,000
Grantsville Irr Co	E150	C&D	321,000	428,000
Vernon Irr Co	E158	RCF	37,500	50,000
Kingston Irr Water Co	E169	RCF	85,000	240,000
Greenwich Water Works Co	E171	RCF	112,500	250,000
Bullion Creek Irr Co	E172	RCF	75,000	100,000
Fountain Green Irr Co (Flow Augment)	E186	RCF	75,000	100,000
San Juan WCD	E198	C&D	3,000,000	4,000,000
Wallsburg Irr Co	E203	RCF	90,000	120,000
Leota Irr Co, Inc	E207	C&D	2,800,000	3,500,000
Corinne City	E216	C&D	80,000	100,000
Devil's Pass Water Co	E226	RCF	157,500	210,000
Thompson Ditch Co	E227	RCF	142,500	190,000
Barton-LeFevre-Tebbs Co	E229	RCF	487,500	650,000
Moroni Irr Co	E231	C&D	3,997,500	5,330,000
Blue Creek Irr Co	E239	RCF	37,500	50,000
West Bountiful City	L561	CWL	2,625,000	3,500,000
Beaver/ Shingle Creek Irr Co	E241	RCF	400,000	800,000
Monroe South Bend Canal Co	E247	RCF	287,250	383,000
Oakley City	E250	C&D	4,987,500	6,650,000
Kane County WCD	E253	C&D	3,345,000	4,460,000
Kaysville Irr Co (Amend)	C037	RCF	1,422,000	1,580,000
Midvalley Estates Water Co	E252	C&D	434,000	510,000
Pine Valley Irr Co	E254	C&D	635,000	835,000
* North Six-Mile Creek Irr Co	E255	C&D	51,000	60,000
* Beaver Creek Irr Co	E256	RCF	90,000	120,000
Subtotal			\$ 47,364,250	\$ 64,990,000

* New Application

BOARD OF WATER RESOURCES

February 12, 2009

Additional Authorized or Committed Projects

Davis & Weber Counties Cnl Co (Secondary)	D674	C&D	\$ 2,590,000	\$ 3,047,000
Weber Basin WCD (Secondary Irr, Ph 3-5)	E029	C&D	28,369,000	33,375,000
Hooper Irr Co (Press Irr, Ph 4)	E060	C&D	<u>11,033,000</u>	<u>12,980,000</u>
Subtotal			<u>\$ 41,992,000</u>	<u>\$ 49,402,000</u>
TOTAL ADDITIONAL PROJECTS			\$ 89,356,250	\$ 114,392,000

INACTIVE PROJECTS

Long Term Large Water Conservation Projects

Sanpete WCD (Narrows Dam)	D377
Wayne County WCD	D494
Cedar City Valley Water Users	D584
Bear River WCD	D738
Central Utah WCD (Prepay FY98,99,00)	D960

BOARD OF WATER RESOURCES

Committal of Funds

Cities Water Loan Fund

Appl. No.: **E-029R2**

Received: 1/24/09

Approved: 1/24/09

Authorized: 6/16/00

To be Presented at the February 12, 2009 Board Meeting

SPONSOR: **WEBER BASIN WATER CONSERVANCY DISTRICT**

General Manager: Tage Flint
2837 E. Highway 193
Layton, UT 84040
Phone: 801-771-1677

LOCATION: The proposed project is located in West Haven City and in the unincorporated communities of Taylor and West Weber, about five miles west of Ogden in Weber County.

PROJECT SUMMARY: In June, 2000 the board extended assistance to the sponsor for a \$34 million project to construct pressurized secondary irrigation systems in the West Haven, Roy, and Hooper areas in western Weber County.

Board financial assistance for each phase was to be returned at between 3% and 5% interest, depending on the proportion of agricultural and municipal benefit, respectively. The interest rate, repayment period, and annual payments for each phase were to be determined at the time funds were committed.

The first phase of this project in the West Haven area was completed in 2002 and the sponsor completed a second phase, also in the West Haven area, with its own funds in 2004. In January, 2002 the board extended assistance to the Hooper Irrigation Company for a \$19.5 million project to construct a large pressurized irrigation system in and around Hooper. The Hooper Irrigation Company has completed two phases of that project and is presently working on the third phase at a total cost of nearly \$12 million. The Hooper project will complete a

substantial portion of the sponsor's \$34 million project.

The sponsor is requesting assistance to cost share in the construction of a reservoir and pump station with the Hooper Irrigation Company's third phase. The sponsor's project would increase the Hooper Irrigation Company's planned 25 acre-foot reservoir to 34 acre-feet and add a 100 Hp pump inside the pump house, as well as pay for proportioned increases to the pump house.

The sponsor and Hooper Irrigation Company have negotiated a cost split to jointly construct the reservoir and pump station. The sponsor will connect to its existing piping system, then add pipeline into developing areas. The project is planned to serve West Haven City and a small area of unincorporated Taylor-West Weber areas.

Water for the system will be provided by Wilson Irrigation Company from shares owned by homeowners in the service area.

COST ESTIMATE
& SHARING:

The reservoir and pump station were bid the latter part of January. The bid was almost \$3.2 million, with the sponsor's share at approximately \$1.37 million (43% of the cost).

The following breakdown of the sponsor's share of the project costs was prepared by its engineer and has been reviewed by staff:

<u>Item</u>	<u>Description</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Amount</u>
1.	Mobilization	LS	\$ 64,000	\$ 64,000
2.	Reservoir Upgrade	LS	288,000	288,000
3.	Pump House Upgrade	LS	467,000	467,000
4.	Pump Station	LS	337,000	337,000
5.	Electrical	LS	152,000	152,000
Construction Cost				\$1,308,000
Contingencies (5%)				65,000
Easement				24,000
Legal and Administrative				23,000
Design & Construction Engineering				50,000
TOTAL				\$1,470,000

The overall project was authorized based on 85% cost sharing from the board and 15% from the sponsor. The proposed cost estimate and sharing for this phase of the project is:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$1,250,000	85%
Sponsor	<u>220,000</u>	<u>15</u>
TOTAL	\$1,470,000	100%

FINANCIAL
FEASIBILITY:

Based on the board's water service affordability guidelines, West Haven City water users could pay up to \$67.51 for all water. The cost of water with the proposed project, based on 270 connections, is as follows:

	<u>Annual Cost</u>	<u>Cost/Conn/Mo</u>
Existing Culinary Water	\$ 55,080	\$17.00
Existing Irrigation Water	45,200	13.95
New O&M	16,200	5.00
Proposed BWRe Assistance	<u>102,000</u>	<u>31.48</u>
TOTAL	\$218,480	\$67.43

PURCHASE
AGREEMENT:

Staff suggests the bonded indebtedness of \$1,250,000 be repaid in 19 years at 4% interest with annual payments of approximately \$102,000 (includes reserves).

STAFF COMMENTS:

The sponsor is requesting the interest rate be lowered to 3%. The sponsor is not planning for the agricultural community to use or pay for the project, but is relying on current and future residential growth.

SPONSOR'S
RESPONSIBILITIES:

The sponsor will be required to make all arrangements to sell the board a non-voted revenue bond, as well as verify that there are adequate water rights and rights-of-way to construct the project. If the project is committed, a list of procedures and requirements necessary to close the loan will be furnished to the sponsor.

BOARD OF WATER RESOURCES

Committal of Funds

Cities Water Loan Fund

Appl. No.: **L-562**
Received: 7/22/08
Approved: 8/15/08
Authorized: 10/2/08

To be Presented at the February 12, 2009 Board Meeting

SPONSOR: **CITY OF HONEYVILLE**

Mayor: Ellen Cook
6980 North 35 West
Honeyville, UT 84314
Phone: 435-279-8425

LOCATION: The proposed project is located about 10 miles north of Brigham City in Box Elder County.

PROJECT SUMMARY: The sponsor is requesting financial assistance from the board to install 3,200 feet of transmission line and a new pump on one of its wells, and construct a one million gallon concrete storage tank, PRV station, and SCADA system. This will loop the system and improve pressure, as well as provide for future growth.

As a requirement for funding, the sponsor needs to implement a progressive water rate structure. The city recently raised its base rate from \$16/month for 30,000 gallons to \$18/month for 25,000 gallons for a 3/4-inch connection. Overage charges changed from \$0.50/1,000 gallons to \$0.70/1,000 gallons. Citizens are adverse to any additional changes at this time; therefore, the city is requesting the board consider the rate increases as sufficient to meet board requirements.

COST ESTIMATE & SHARING: The cost sharing and repayment remain the same as authorized:

<u>Agency</u>	<u>Cost</u> <u>Sharing</u>	<u>% of Total</u>
ACOE Grant	\$1,130,000	72.4%
Board of Water Resources	320,000	20.5
Sponsor	<u>110,000</u>	<u>7.1</u>
TOTAL	\$1,560,000	100.0%

If the board commits funds to the project, it is suggested the \$320,000 be purchased at 4% interest over 10 years with annual payments of approximately \$39,500. The sponsor must set aside in a reserve fund approximately \$6,600 annually for six years, which is in addition to the payments on the Bond.

BOARD OF WATER RESOURCES

Special Item

Withdrawal

Conservation & Development Fund

Appl. No.: **E-087**
Received: 7/25/02
Approved: 8/9/02
Tabled: 1/31/03
Authorized: 6/12/03

To be Presented at the February 12, 2009 Board Meeting

SPONSOR: ***RICHLAND NONPROFIT WATER COMPANY***

President: Brian Wood
47 East Cisco Road
Laketown, UT 84038
Phone: 435-946-3590

LOCATION: The project is located about one mile north of
Laketown on the southeast side of Bear Lake in Rich
County.

SUMMARY: The sponsor requested financial assistance from the
board to consolidate several smaller water systems
owned by several individuals into one regional water
system, and to provide backup water for Laketown as
necessary.

The well for the project is currently being drilled;
however, there has been no response or progress in
meeting the conditions of the board loan since the
project was authorized in June, 2003. Therefore,
staff recommends the project be withdrawn from
further consideration by the board.

BOARD OF WATER RESOURCES

Special Item

Withdrawal

Revolving Construction Fund

Appl. No.: **E-197**

Received: 2/2/06

Approved: 3/8/06

Authorized & Committed: 3/8/06

To be Presented at the February 12, 2009 Board Meeting

SPONSOR: **SEVIER VALLEY CANAL COMPANY**

President: Russell Christensen
3020 South 900 West
Richfield, UT 84701
Phone: 435-896-4376

LOCATION: The project is located about two miles south of the community of Joseph in Sevier County.

SUMMARY: The sponsor requested financial assistance from the board to repair its diversion structure, which was damaged due to flooding.

The sponsor received funding from another source and the project is complete and operating. Staff therefore recommends the project be withdrawn from further consideration by the board.

BOARD OF WATER RESOURCES

Special Item

Withdrawal

Revolving Construction Fund

Appl. No.: **E-217**

Received: 1/5/07

Approved: 1/26/07

To be Presented at the February 12, 2009 Board Meeting

SPONSOR: **WEST FIELD IRRIGATION COMPANY**

President: Brent Money
1176 W. Palmyra Drive
Spanish Fork, UT 84660
Phone: 801-592-5582

LOCATION: The project is located just south of Spanish Fork in Utah County.

SUMMARY: The sponsor requested financial assistance from the board to replace its diversion structure, and then changed its mind about the project. Staff therefore recommends the project be withdrawn from further consideration by the board.

BOARD OF WATER RESOURCES

Special Item

Withdrawal

Conservation and Development Fund

Appl. No.: **E-249**

Received: 10/15/08

Approved: 12/04/08

To be Presented at the February 12, 2009 Board Meeting

SPONSOR: **WEST CORINNE WATER COMPANY**

President: Curtis Marble
178 North 6800 West
P.O. Box 37
Corinne, UT 84307-9734
Phone: 435-744-2960

LOCATION: The project area includes various portions of unincorporated land between Tremonton and Brigham City in Box Elder County.

SUMMARY: The sponsor requested financial assistance to replace undersized distribution lines, construct a one million gallon water tank, and upgrade an existing well. The sponsor has since secured funding through Rural Development for construction of the project. Staff therefore recommends the project be withdrawn from further consideration by the board.

BOARD OF WATER RESOURCES

Special Item

Withdrawal

Conservation and Development Fund

Appl. No.: **L-556**
Received: 7/17/06
Approved: 7/28/06

To be Presented at the February 12, 2009 Board Meeting

SPONSOR: **MIDVALE CITY**

Mayor: JoAnn B. Seghini
655 West Center Street
Midvale, UT 84047
Phone: 801-567-7200

LOCATION: The project is located in Midvale City in Salt Lake County.

SUMMARY: The sponsor requested financial assistance from the board to upgrade its culinary water system.

The sponsor has secured other funding for the project; therefore, staff recommends that the project be withdrawn from further consideration by the board.

BOARD OF WATER RESOURCES

Application Summary

Appl. No.: **E-255**
Received: 12/8/08

SPONSOR: ***NORTH SIX MILE CREEK IRRIGATION COMPANY***

President: Bruce Bown
P.O. Box 71
Manti, UT 84642
Phone: 435-835-3941

LOCATION: The proposed project is located one mile northeast of Sterling, about five miles southeast of Manti in Sanpete County.

PROPOSED PROJECT: The sponsor is requesting financial assistance to install approximately 4,000 feet of 6-inch irrigation pipeline.

WATER RIGHTS & SUPPLY: Numerous water rights.

COST ESTIMATE: \$60,000

BOARD OF WATER RESOURCES

Application Summary

Appl. No. **E-256**

Received: 2/3/09

SPONSOR: **BEAVER CREEK IRRIGATION COMPANY**

President: Tom Talbot
Greenwich, UT 84732
Phone: 435-638-7441

LOCATION: The proposed project is located one mile west of
Greenwich in Piute County.

PROPOSED PROJECT: The sponsor is requesting assistance to install about
one mile of transmission pipeline.

WATER RIGHTS: 60-889 and 36

COST ESTIMATE: \$120,000

Unapproved
MINUTES OF THE
BOARD OF WATER RESOURCES MEETING
December 4, 2008

Olmstead Room
Capitol East Complex
Salt Lake City, Utah

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SUMMARY OF BOARD ACTIONS

1. The Minutes of the October 2, 2008 minutes were approved as prepared. Page 1
2. The Board authorized the Garland City project in the amount of \$850,000 (85%) for improvements to its culinary water system. Funds will come from the Cities Water Loan Fund, to be repaid at 4% interest over 10 years with annual payments of approximately \$117,400. Page 1
3. The Park City Municipal Corporation project was authorized for an interest rate buydown to buy the market rate down to an effective rate of 4%, with repayment period and annual payments for each part of the project to be determined at the time funds are committed. Page 1
4. The Board authorized the Muddy Creek Irrigation Company water system project in the amount of \$650,000 from the Conservation and Development Fund, to be repaid at 1% interest over 22 years with the first payment being \$223,000 and the remaining payments being \$23,000 annually thereafter.
5. Funds were committed from the Conservation and Development Fund for the Hooper Irrigation Company in the amount of \$4.77 million (90%) to be returned at 1% over 30 years with annual payments starting at approximately \$113,000 and increasing 3.37% each year to a final payment of approximately \$294,000. Page 3
6. The Board committed funds for the Gunnison Fayette Canal Company from the Revolving Construction Fund in the amount of \$130,000 (36%) to be purchased at 0% interest over ten years with annual payments of \$13,000. Page 4
7. The Board reauthorized funding for Brigham City for two bonds, in the amounts of \$6,000,000 and \$7,900,000. The \$6,000,000 indebtedness will be repaid at 4% interest over 20 years with approximate annual payments of \$472,000, including reserves of \$789,700 for the first six years. The \$7,900,000 indebtedness will be repaid at 0% interest over 20 years with annual payments of approximately \$416,000, including reserves of \$69,300 for the first six years. Funding will come from the Conservation and Development Fund. Page 4
8. The Board authorized and committed funds to the North Union Irrigation Company in the amount of \$204,000 from the Revolving Construction Fund, to be purchased at 0% interest over 16 years with annual payments being 412,750. Page 5

9. Deepwater Distribution Company was withdrawn from further consideration by the Board. Page 5

10. The Board transferred Flaming Gorge Water Rights to the following: Page 5

<u>Company</u>	<u>Diversions</u>	<u>Depletion</u>
Gunnison Butte Mutual Irrigation Co.	11,430 acre-feet	6,972 acre-feet
Garfield County School District	50 a.f.	29 a.f.
Eastside High Ditch Co.	4,094 a.f.	2,989 a.f.
W.W. Water Co.	3,000 a.f.	1,830 a.f.
Boulder Farmstead Water Co.	100 a.f.	44 a.f.
Wilson Arch Water Company	100 a.f.	56 a.f.
SITLA	600 a.f.	313 a.f.
Uintah WCD	51,800 a.f.	25,176 a.f.
Duchesne WCD	47,600 a.f.	31,160 a.f.

THOSE PRESENT

The BOARD OF WATER RESOURCES met in regular session on Thursday, December 4, 2008 in the Olmstead Room, East Capitol Complex, Salt Lake City, Utah. Chair Blair Francis presided over the 10:00 a.m. meeting.

BOARD MEMBERS PRESENT:

Blair Francis, Chairman
Craig Johansen, Vice-Chairman
Paul McPherson
Brad Hancock
Ivan Flint
Harold Shirley
Robert Bessey
Stew Paulick

STAFF MEMBERS PRESENT:

Dennis Strong, Director
Eric Millis, Deputy Director
Todd Adams, Assistant Director
Val Anderson
Robert King
Gina Hirst
Tom Cox
Shalaine DeBernardi
Marisa Egbert
Russell Hadley
Joel Williams

OTHERS PRESENT:

Cody Deeter, Lewis Young Robertson & Burningham
Dennis Sheffield, Brigham City
Richard Owen, Garland City
William (Bill) Bishop, Garland City
Chris Wight, Hansen & Associates
Justin Baugh, Garfield School District
George Park, Garfield County School District
Greg Seegmiller, Hooper Irrigation Company
Theo G. Cox, Hooper Irrigation Company
Tracy Allen, J-U-B Engineers
Morris Sorensen, Muddy Creek Irrigation Company

Don C. Peterson, North Union Canal Company
Alex D. Lott, North Union Canal Company
Dana Williams, Park City Municipal Corp.
Kathy Lundborg, Park City Municipal Corp.
Jim Riley, Jim Riley Engineering
Richard Wilcox, SITLA
Scott Wilson, Central Iron County WCD
Ronald W. Thompson, Washington County WCD
Gawain Snow, Uintah WCD
Randy Catmull, Boulder Farmstead
Connie L. Reid, Boulder Farmstead
Jay Franson, Franson Civil Engineers
Scott Ruppe, Uintah WCD
Nancy Stark, Green River Companies
Scott Banasky, James Banasky Ranches
Linda Day, D&S Engineering
Mark Page, Gunnison Butte Mutual Irrigation Company
Curtis Rozman, Gunnison Butte Mutual Irrigation Co.
Lee Thayne, Gunnison Butte Irrigation Company
Kelly Dunham, Gunnison Butte Mutual Irrigation Co.
Tim Vetere, Eastside High Ditch
Kent C. Ericksen, Max Ericksen Ranch
Greg Ericksen, Flaming Gorge Pines
Pat Luark, Westwater Ranch
Niki Luark, Westwater Ranch
Mr. Richardson, Westwater Ranch
Brenda M. Glaze, Wilson Arch Water & Sewer Co.
Phillip V. Glaze, Wilson Arch Water & Sewer Co.

MINUTES OF THE
BOARD OF WATER RESOURCES MEETING
December 4, 2008
Capitol East Complex
Salt Lake City, Utah

Chair Francis welcomed everyone to the meeting.

APPROVAL OF MINUTES

Bob Bessey moved the minutes be approved as written. Craig Johansen seconded the motion. Motion carried.

FEASIBILITY REPORTS

L-563 Garland City

Russell Hadley said Garland City presently serves culinary water to 794 connections for about 2,000 residents. The system is supplied by two springs, with water stored in two tanks with 1.4 million gallons total capacity. There is no secondary irrigation system in the area and the city provides all indoor and outdoor water. The sponsor experiencing significant residential growth and anticipates additional future growth. The increased culinary water demands are extreme, transmission lines are undersized and leak, storage facilities and existing fire flows are inadequate, and the system needs to be brought up to standard. The sponsor is requesting financial assistance from the board to install a 500,000 gallon tank, about 2.5 miles of 10-inch PVC pipeline, and a pump station to improve fire protection and allow for new development. The cost estimate is \$1 million. It is suggested the Board provide 85% of that amount, or \$850,000. If the Board authorizes the project, it is suggested it be purchased at 4% over 10 years with annual payments of approximately \$117,400.

Mayor Richard Owen said they feel this project will be very beneficial to the city, as they can't rely on the existing pipeline and there are several new subdivisions going in. The engineer, Chris Wight, said there are two main springs and emergency connections with Fremont City and Bear River Conservancy District, and water appears to be adequate for now.

Brad Hancock moved to authorize the project as suggested by staff; Bob Bessey seconded the motion. Motion carried.

#L-564 Park City Municipal Corp.

Marisa Egbert said the sponsor delivers around 5,000 acre-feet to nearly 5,100 connections and maintains about 120 miles of pipeline, 19 tanks, and 25 pump stations.

Water is supplied from three wells, a spring, and two tunnels, as well as 1,000 acre-feet/year leased from Jordanelle Special Service District.

The sponsor intends to lease 2,500 acre-feet from Weber Basin WCD and will put about 30,000 acre-feet into a proposed 3 MG/day water treatment plant in the area, which will be able to expand to accommodate 9 MG/day. To begin the project, a temporary water treatment plant will be built in June. The second phase will be the transmission lines from the water treatment plant, and a one-half million gallon storage tank will be upgraded to 1 million gallons. The Judge Tunnel phase will include pipelines from the Judge Tunnel portal and Wyatt Earp to the Park City golf course, and from Wyatt Earp to the proposed water treatment plant. An automatic meter read system will be also be added. The Boot Hill transmission line will complete the pipeline. A portion of the pipeline has already been installed from the pump station down to the tank; there is an additional 4,500 feet still to be installed. During additional master plan projects over the next several years the pipeline will be upgraded and replaced. These will be detailed before committal of funds.

The sponsor will come to the Board for four different bonds. The total amount of \$28.2 million will be financed between the Board and the bond market, with the cost share being 77% from the Board and 23% from the sponsor. The Board will participate with an interest rate buydown at 0%. Each separate bond will need to be paid in 15-16 years, and the combined bonds will be repaid in 20 years.

If the Board authorizes the project it is suggested they participate in an interest rate buydown with the sponsor to buy the market rate down to an effective rate of 4%, with the assistance from the Board to be repaid at 0%. Due to the complexity and large scope of the project, it is further suggested the repayment period and annual payments for each phase of the project be determined at the time funds are committed, with the entire project to be paid off in 20 years and each separate bond being paid off in 15 to 16 years.

Mayor Dana Williams expressed appreciation to the Board and said the city has been paying reservation fees to Weber Basin for the past 12 years to reserve water there for this development, and haven't been able to use the water so far. The city is now having to delay projects until this project is completed. One of the biggest concerns is that close to the 60% of the water is obtained from two mine shafts, and a problem with either of those could be devastating.

Park City's water manager, Kathi Lundberg, said they are trying to take a comprehensive approach to bring new source water into town, while working on the demand side with the meter reading system.

Brad Hancock asked about the treatment plant, and Ms. Lundberg said it's a membrane plant, and can be expanded in the future.

Ivan Flint made a motion that the Board authorize the project and participate in an interest rate buydown with the sponsor to buy the market rate down to an effective rate of

4%, and that the assistance from the Board be repaid at 0% interest. Due to the complexity and large scope of the project, the repayment period and annual payments for each part of the project are to be determined at the time funds are committed, with the entire project being paid off in 20 years and each separate bond being paid off in 15 or 16 years. Paul McPherson seconded the motion. Motion carried.

#E-248 Muddy Creek Irrigation Co.

Joel Williams said the Muddy Creek Irrigation Company operates a diversion structure on Muddy Creek, which is heavily laden with sediment that tends to fill the canal, ditches, and pipelines. A portion of the water is delivered to the town, which has settling ponds for use in its culinary system. The sponsor is requesting financial assistance from the Board to replace the diversion structure on Muddy Creek with a new structure that would incorporate a sedimentation basin. Johansen and Tuttle Engineering will provide the design and construction engineering services. The project cost is estimated to be \$2.2 million. The sponsor will receive a grant from the Army Corps of Engineers for 68.2% of the cost, or \$1.5 million, through the 595 salinity program. The sponsor is requesting a loan from the Board for 28.4% of the amount, or \$625,000, with the sponsor's share being \$75,000. If the Board authorizes the project, it is suggested it be purchased at 1% interest over 22 years with the first payment being \$222,000, and all remaining annual payments being approximately \$22,000 thereafter. The initial repayment amount will include \$200,000 that was needed to secure the funds from the Army Corps of Engineers. That money is reimbursable. The sponsor has requested its cost share be lowered to \$50,000, which would be 10% of the known grant amount. That would increase the payments slightly. The project is a crucial first step for the company to improve operations for its existing irrigation system. It will also enable expansion of the sprinkle irrigation system by having cleaner water in the sprinklers. The project would eliminate sediment problems now facing all users of the system.

Mr. Morris Sorenson, company president, said the diversion structure splits the water into two canals. The Emery Series canal serves about 80% of the water shares and the Independent canal serves the other 20%. The pipeline is now reduced to about 50% capacity because of the silt, and some of the center pivots have collapsed due to the weight of the sediment. It's a tremendous problem for the whole irrigation system.

Harold Shirley made the motion to modify the original request to make the Board's share of the loan be \$650,000 and the sponsor's share be \$50,000, and that the Board authorized the project from the Conservation & Development Fund, to be purchased at 1% interest over 22 years with the first payment being \$223,000 and the remaining payments being \$23,000 annually thereafter. Brad Hancock seconded the motion. Motion carried.

COMMITTAL OF FUNDS REPORTS

#E-238 Hooper Irrigation Company

Russell Hadley said that Hooper Irrigation Company is requesting financial assistance from the Board to construct a pressurized lawn and garden system that will consist of a 34 acre-feet reservoir, a pump station, and about 10 miles of ductile iron and PVC pipe. The system will be designed at capacity for 1,200 homes in the Wilson area. The cost estimate has not changed since the Board authorized the project, and it was recently bid for the distribution system. The Board's share would be \$4.77 million of the \$5.3 million project, or a 90% cost share. If the Board commits funds to the project it is suggested the loan terms remain as authorized, and the \$4.77 million will be returned at 1% interest over 30 years with annual payments starting at approximately \$113,000, increasing 3.37% each year to a final payment of approximately \$294,000.

Mr. Theo Cox, company president said they feel very good about the project. Ivan Flint said this project ties all the company's systems in with Roy City and Weber Basin WCD. Mr. Flint made a motion that the loan terms remain the same as authorized: the \$4.77 million to be returned at 1% interest over 30 years with annual payments starting at approximately \$113,000 and increasing 3.37% each year to a final payment of approximately \$294,000. Bob Bessey seconded. Motion carried.

#D-242 Gunnison-Fayette Canal Co.

Bob Bessey moved that funds be committed from the Revolving Construction Fund to the project as authorized, in the amount of \$130,000 at 0% interest for ten years, with annual repayments of \$13,000. Paul McPherson seconded the motion, and the motion carried.

#L-560 Brigham City

Gina Hirst said the Board authorized financial assistance to Brigham City to construct a pipeline to the future Proctor & Gamble plant about 12.5 miles northwest of Brigham City. They also authorized upgrades in the city to keep fire flows and storage at adequate levels. There were two bonds authorized: Bond A in the amount of \$6 million and Bond B in the amount of \$7.9 million, which is 93% of the total project cost. The remaining 7% will come from the sponsor and a grant, for a total project cost of \$15.11 million. The cost estimate and cost sharing remain the same as authorized. If the Board commits funds to the project it is proposed the \$6 million bonded indebtedness to the Board be repaid at 4% interest over 20 years with approximate annual payments of \$472,000. The \$7.9 million bonded indebtedness will be repaid concurrently at 0% interest over 20 years with approximate annual payments of \$416,000.

Dennis Sheffield, Brigham City, complimented Gina on the work she has done. Bob Bessey said funding for this project was contingent on the Utah State Legislature and CIB helping to fund Bond B, which has been done, and he made a motion to commit funds to the project from the Conservation & Development Fund, with the purchase agreement to

remain as authorized. The Board will participate in two bonds with the sponsor. The \$7.9 million indebtedness to the Board will be repaid at 0% interest in 20 years with approximate annual payments of \$416,000, which includes reserves of \$69,300 for the first six years. The \$6 million bonded indebtedness to the Board will be repaid concurrently at 4% interest in 20 years with approximate annual payment of \$472,000, which includes reserves of \$789,700 for the first six years. Brad Hancock seconded the motion, and the motion carried.

SPECIAL ITEMS

#E-251 North Union Irrigation Co.

Marisa Egbert said the North Union Irrigation Company is located in Lindon City in Utah County. The sponsor delivers about 9,500 acre-feet from the Provo River via the Provo Bench Canal & Irrigation Company through a concrete-lined canal to about 100 shareholders with a total of 1,264 shares. A 1,370-foot section of the canal is cracked and severely damaged in several locations, and houses along that section experience flooding and seepage from the damaged concrete. The concrete was placed about 50-60 years ago and has been repaired over the last few years; however, the canal still continues to have problems. The sponsor is requesting financial assistance from the Board to replace or overlay the 1,370 feet of deteriorated concrete lining. If the Board authorizes the project, the sponsor has also requested the Board commit funds at this time.

Alex Lott, President, complimented Marisa on her work and said they spent a lot of money the last two years on this part of the canal and couldn't solve the problem. This last year was the first year they had to turn water out of the canal to stop leaks and that hurt the farmers. Don Peterson, board member, said this canal is a main part of Lindon City's secondary system, so the work needs to be done quickly.

Paul McPherson said it's an important project because of the safety issues that are involved. He said it's a good project and it needs to be taken care of. He made the motion to authorize and commit funds from the Revolving Construction Fund to North Union Irrigation Company in the amount of \$204,000, and have it be purchased at 0% interest over approximately 16 years with annual payments being \$12,750. Harold Shirley seconded; motion carried.

#E-246 Deepwater Distribution Co.

Ivan Flint made a motion to withdraw the Deepwater Distribution Co. project from further consideration by the Board. Paul McPherson seconded; motion carried.

FLAMING GORGE WATER RIGHTS

#92-638, 5075, 3750 Gunnison Butte Mutual Irrigation Co.

Shalaine DeBernardi said that Gunnison Butte Mutual Irrigation Company provides water for farmers surrounding the town of Green River. Construction on the water system to use this right is complete. The applicant's engineers have completed most of the surveys and are working to complete the necessary proof. Proof has already been filed on 2,194 acre-feet of this right. The applicant originally received an allocation in the amount of 24,825 acre-feet, but in March, 2007 the Board passed a motion to postpone the water right on 11,430 acre-feet until December 31, 2008. The remaining 13,395 acre-feet were returned to the Board at that time. It is believed that proof will be filed on the remaining amount before December 31.

Mark Page said the work is being completed and they believe they can file proof on all the water by the end of the year. Lee Thayne, company president, said he has put up five pivots, with a 40-length pivot covering about 120 acres. Mr. Page said the work being done has brought a lot of economic development to the area and the crop land will probably be almost doubled. It's a significant project. It's very worthwhile and it's amazing the ground that's been cleared and the progress the people have made.

Craig Johansen said he was glad the economic return was mentioned. Green River sits out in the middle of nowhere really. They get tourism but agriculture is really their mainstay and this water has allowed that to grow. It's going to be a real significant change to the area.

Robert King said the Board doesn't want these projects stopped because the ESA requirement hasn't been met. The Upper Colorado River Endangered Fishes Recovery Program depletion fee needs to be paid, and there are requirements of the Fish & Wildlife Foundation that have to be met. The Recovery Program is serving as a regional prudent alternative. Let's not have a problem next spring when it's time to irrigate and they won't let you turn the pumps on. Director Strong reminded them there is a one-time fee of \$18 an acre-foot that needs to be paid. It's a big deal.

Craig Johansen made a motion that the Board transfer 11,430 acre-feet diversion, with 6,972 acre-feet depletion, to the applicant, contingent upon proof being filed by Dec. 31, 2008 and any water not perfected by that proof by August 31, 2009 will return to the Board. Director Strong said we need clarification that it's by individual; each proof will be considered individually, with a total of 11,430 acre-feet. Brad Hancock seconded the motion, and the motion carried.

#97-2280 Garfield School District

Russell Hadley said Garfield School District requested 50 acre-feet to irrigate 12.5 acres of school grounds in Escalante City. The test and production wells are completed. The

pump house is completed and the power line and pipeline are currently being completed. The project should be 100% complete and functional by December 31, 2008.

George Park, Superintendent, said he talked to the engineer this morning and he said he will be able to file the paper work by the 31st. They're pleased with this project; it is going to meet their needs. They are going to use all the 50 acre-feet that has been assigned to us in this water right. He thanked the Board and Mr. Hadley for their help. He asked that they be placed on the waiting list for an additional 50 acre-feet if possible, because since the well was constructed to culinary standard they envision a time when it will be part of the overall infrastructure for Escalante City. In the meantime, they have an additional 12 acres that are school district property adjacent to Escalante High School that would like to use in their educational curriculum at the school. He also asked that the Board extend the term of proving up.

Harold Shirley moved that 50 acre-feet, with 29 acre-feet of depletion, be transferred to the Garfield County School District. Bob Bessey seconded the motion. Motion carried.

92-633 Eastside High Ditch Co.

Shalaine said the Eastside High Ditch Company is a non-profit corporation that grows melons and corn. Construction is complete on the water for irrigation. The engineers have completed the survey and will file proof on this right for 4,094 acre-feet before December 31, 2008. Tim Vetere said most of the project is finished. It will all be done by the end of the year.

Craig Johansen made a motion that the Board allocate 4,900 acre-feet of the Flaming Gorge water right to the Eastside High Ditch Company, with the depletion limited to 2,989 acre-feet, on the condition that proof be filed by December 31, 2008. Paul McPherson seconded the motion. Motion carried.

#01-1144 W.W. Water Company

Joel Williams said the W.W. Water Company is requesting 3,000 acre-feet to be used on a ranch located on the Colorado River, 45 miles northeast of Moab in Grand County. The company has 700 acres of pasture and small grains on a cattle ranch, with the water diverted directly from the Colorado River into a reservoir with several sprinkle irrigated fields. The applicant has placed 575.83 acres under irrigation. The application survey was for 575 acres and they will file proof on 3,000 acre-feet by December 31, 2008.

Craig Johansen moved that the Board transfer 3,000 acre-feet diversion, 1,830 acre-feet depletion, to the W.W. Water Company, contingent upon proof being filed by December 31, 2008. Ivan Flint seconded. Motion carried.

#97-2220 Boulder Farmstead Water Company

Joel Williams said Boulder Farmstead Water Company is sole supplier for indoor and outdoor water to the residents of Boulder Town, which has a current population of approximately 220. It has a 17,000-gallon water tank and serves culinary water to 121 connections, obtaining water from a well that produces 110 to 150 gpm. The applicant uses all of its existing water right of 100 acre-feet and needs 100 acre-feet of additional water from the Flaming Gorge Water Right to supply water for continued growth. The Board voted to reduce their water right from 300 acre-feet to a diversion of 100 acre-feet, with a depletion of 44 acre-feet.

Harold Shirley made the motion to transfer 100 acre-feet of diversion with 44 acre-feet of depletion to the Boulder Farmstead Water Company, contingent upon it filing proof by December 31, 2008. Bob Bessey seconded the motion. Motion carried.

#95-2992 Wilson Arch Water Company

Shalaine DeBernardi said Wilson Arch Water Company provides water to Wilson Arch Resort Community, which is a development that includes full and part-time residents and commercial lots. The entire water system has been constructed for Phase 1 of the project and Phase 2 is currently under construction; however, the applicant is still waiting for the Utah Division of Drinking Water to approve the water system for that phase. The Wilson Arch Resort Community does not have any other water rights and this water right is necessary for development. The State Engineer will allow the subdivision to file proof before all the water is actually put to use as long as the subdivision has met all local, county, and state requirements as an approved water system, has an approved water right application, and has the infrastructure required to meter the source. The applicant has hired an engineer and is in the process of meeting all these requirements and filing proof by December 31, 2008.

Phillip Glaze explained the construction work that had been completed. He said the new wells produce 18.6 gpm and 24.6 gpm. The company has independently financed the project, and is ready to file proof on the water rights as soon as it receives approval from Drinking Water.

Craig Johansen moved that the Board transfer 100 acre-feet of diversion, 56 acre-feet depletion, to the Wilson Arch Water and Sewer Company. Harold Shirley seconded the motion. Motion carried.

#92-645 SITLA

Shalaine DeBernardi said the requested water will be used primarily on Utah Trust lands located east of Green River in Grand County. Proof has already been filed on 550 of the 600 acre-feet in this right, including 570 acre-feet for farming east of Green River and 12 acre-feet for leased lands north of Bullfrog. The remaining 10 acre-feet was segregated for use on another lease at Bullfrog. Proof will be filed on this before December 31.

Richard Wilcox, Deputy Assistant Director, thanked the board, and said all the work has been done on the remaining 10 acre-feet so proof should be filed in about a week.

Stew Paulick made a motion to allocate 600 acre-feet diversion, with 313 acre-feet of depletion, to the School and Institutional Trust Lands Administration. Paul McPherson seconded, and the motion carried.

#41-3487, 3523 Uintah Water Conservancy District

Tom Cox reported that water from the Uinta River drainage is diverted to provide water for agricultural, municipal, and industrial uses in Uintah and Duchesne counties. A study completed about a year ago for Uintah County, Duchesne County, and Central Utah WCD indicated that even with the allotted Flaming Gorge water rights for both of the districts included, future demands will exceed the water rights. The districts are pursuing additional storage high in the river basin, which will enable them to more fully develop the Flaming Gorge water right. It has been difficult to project the timing and quantity of water needed for future municipal and industrial use and energy development. The Board awarded Flaming Gorge water rights to the Uintah Water Conservancy District on two previous occasions: 8,400 acre-feet, with 5,176 acre-feet depletion, in 1996 and 43,400 acre-feet, limited to 20,000 acre-feet depletion, in 1999. That totals 51,800 acre-feet diversion, limited to 25,176 acre-feet depletion. To date 10,540 acre-feet has been segregated under 23 filings for local projects that pump directly from the Green River or from wells through exchange. Proof has been filed on three of the rights, totaling 2,738 acre-feet, and the applicant has indicated about 6,828 acre-feet are currently being used. The district intends to take control of those if they are not being used after a certain period of time. The district is also working with Ouray Park and Uinta River irrigation companies to construct a pumping facility on the Green River to deliver an initial 8,500 acre-feet. The Board authorized the project in June and it is hoped it will be completed in 2010. It is anticipated the project will be expanded, using additional Flaming Gorge water rights.

Scott Ruppe, Uintah WCD Manager, thanked the Board and explained that it was difficult to try to predict the future need for energy development, but if things get going the population in Vernal could double in five or six years. OSEC has partnered with others with very serious investment money to do a comprehensive feasibility study that will be finished in June and at that point they will have a better idea of what the future holds for oil shale. The Board has already allocated a total of 51,800 to the Uintah WCD, and 47,600 acre-feet to the Duchesne WCD. Their request is that the Board allocate that on a permanent basis and let them deal with the extensions of time, etc.

Brad Hancock moved to allocate on a permanent basis to Uintah Water District 51,800 acre-feet of diversion with 25,176 acre-feet depletion. Stew Paulick seconded. Motion carried.

#41-3530 Duchesne Water Conservancy District

Mr. Hancock then moved to allocated on a permanent basis to Duchesne County WCD 47,600 acre-feet of Flaming Gorge water, with 31,160 acre-feet depletion. Bob Bessey seconded. Motion carried.

Harold Shirley then made a motion that the water remaining from the Flaming Gorge water right from 1995 be earmarked specifically for the Lake Powell Pipeline, and that any water that needs proof filed by December 31 that isn't completed by that date also go to that, as well as any water that needs proof filed by August 31, 2009 that isn't completed by that date also be put into the Lake Powell Pipeline. Bob Bessey seconded the motion, and the motion carried.

Chairman Francis introduced Scott Wilson, Central Iron County WCD, and Ron Thompson, Washington County WCD. They each expressed appreciation to the Board for its foresight and support. Mr. Thompson said that money loaned from the Board for water projects ultimately creates jobs, recreational opportunities, and tax revenue, and that the net return to the taxpayer is many, many times the investments. He also complimented Division of Water Resources staff for their excellent work.

LAKE POWELL PIPELINE

Eric Millis distributed copies of MWH's progress reports for September and October, and a memo that detailed the expenses for which MWH billed during those two months. Approximately \$219,000 was billed in September, and \$343,000 in October. The total paid out from the \$5.625 million contract previously authorized, is 95% or \$5.3 million. MWH has been working the last several months on the completion of the Study Plans, which will be a guide through the environmental, cultural, and engineering studies that will take place over the next two years, and that work is covered by the \$10.9 million that the board authorized in its last meeting. Various agencies and the public have looked at those study plans and made comments. By December 19 the plans will be re-submitted to the Federal Energy Regulatory Commission (FERC); there will be a brief public review again in January, and they will hopefully be approved in late January or early February. In the memo there is a request for committal of additional funds for the Bureau of Land Management (BLM) and the Bureau of Reclamation (Reclamation). The BLM needs additional funding in order to conduct field studies, conduct reviews, and be able to provide the manpower and resources to participate in a timely way on the project. The estimated amount for that was \$549,500. The Board has already been asked for a \$50,000 commitment to help pay BLM expenses while it worked with FERC to decide exactly what work they needed and whether that \$549,500 cost estimate looked reasonable. We are now asking the Board to commit the remaining \$499,500 to pay the expenses that BLM will incur as it works through its processes over the next several years, all the way through the completion of their permits for the project. In addition to that, Reclamation has been doing modeling on the project, to look at the impacts of the Lake Powell Pipeline not only on Lake Powell, but upstream and downstream of Lake Powell in terms of lake levels, flows, and water quality. For the current year their

estimate is \$141,000; staff have reviewed that request and believe it is reasonable, so we also request the Board commit that amount of money for work to be done by Reclamation. The formal application to FERC will be towards the end of 2010. The study plans set up the studies that will be done over the next couple of years, which will be the basis for environmental assessment-level documents that will be submitted to FERC as part of the formal license to be submitted at the end of 2010.

Harold Shirley said the record of decision and license isn't expected until 2012, so this is still 3½ or 4 years away. Mr. Millis said the environmental assessment-level document that would be submitted with the license is really the start of the Environmental Impact Statement formulation process, which would go from 2010 to 2012 as Mr. Shirley said.

Mr. Shirley made a motion to approve the \$499,500 to the BLM as part of its cost recovery program, from the Conservation and Development Fund. Paul McPherson seconded it, and the motion carried.

Mr. Shirley made a motion to approve \$141,000 for Reclamation and up to an additional \$50-70,000 a year for its part of the modeling and other work. Bob Bessey seconded the motion. Motion carried.

BEAR RIVER DEVELOPMENT

Eric Millis reported the Division has worked with Chairman Francis, Jordan Valley WCD, Weber Basin WCD, Bear River WCD, and Cache County to hire an engineer to evaluate right-of-way alternatives from the Honeyville area to north Weber County around the Slaterville diversion. A pipeline would run from a point on the Bear River near Honeyville, where water quality is believed to be acceptable, down to a point where the districts can use it. The firm of Bowen Collins was selected from a total of six or seven applicants. Their cost proposal is \$559,000, and as the board committed \$600,000 to this work, it's below that, and may end up being even less. Bowen Collins will begin work at the beginning of 2009, and has just over a year to complete the work. The purpose of this study is to identify corridors the state may pursue for land purchase in order to secure rights-of-way for future development of the Bear River. It will include environmental impacts in the corridor. There will be some engineering aspects, and a lot of geotechnical studies.

DIRECTOR'S REPORT

Director Strong introduced Robert King from the Division of Water Resources. Mr. King represents Utah in interstate streams matters, and handles technical work with the Basin States. Mr. Strong then reported on his meeting with the Governor's transition team to talk about Water Resources, and they had nice things to say about the board and about the division.

Mr. Strong said he talked with the Treasurer's office about recapitalization and their advice was to wait until spring because interest rates at this time aren't conducive to

recapitalization. He has spoken with Provo River Water Users and Central Utah WCD and told them the Board has authorized their project and is going to work towards funding it, but not at any cost. We encourage them to talk with Utah's congressional folks and lobbying campaign to get some federal money. There is a new Treasurer, Richard Ellis.

He presented the schedule of Board meetings for 2009. There are six meeting dates. Bob Bessey made a motion to accept the proposed dates. Brad Hancock seconded the motion. Motion carried.

Harold Shirley made a motion to adjourn.

Meeting adjourned at 12:05